

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for Authority to Institute a Rate Stabilization Plan with a Rate Increase and End of Rate Freeze Tariffs.	Application 00-11-038 (Filed November 16, 2000)
Emergency Application of Pacific Gas and Electric Company to Adopt a Rate Stabilization Plan. (U 39 E)	Application 00-11-056 (Filed November 22, 2000)
Petition of THE UTILITY REFORM NETWORK for Modification of Resolution E-3527.	Application 00-10-028 (Filed October 17, 2000)
Bond Charge Phase	

**ASSIGNED COMMISSIONER'S RULING
SCHEDULING BOND CHARGE PHASE OF PROCEEDING**

The Rate Agreement between the Commission and the California Department of Water Resources (DWR) requires that the Commission impose specific charges to recover bond-related costs incurred by DWR. (Decision (D.) 02-02-051; the Rate Agreement Decision.) This ruling initiates a new phase in the Rate Stabilization Proceeding to consider these charges.

Specifically, Ordering Paragraph 9 of D.02-02-051 requires that the Commission impose bond charges in an amount that is sufficient in total to provide for the timely payment of bond-related costs. These bond charges must be imposed based on the aggregate amount of electric power sold to customers in

the service areas of Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E), regardless of whether the power is sold by DWR, the utility, or, under particular circumstances, by an energy service provider (ESP). The portion of the Rate Agreement requiring that the Commission impose bond charges is irrevocable.

When the Rate Agreement Decision was issued in February 2002, the Commission recognized that it could not at that time reasonably determine the amount of the bond charges. Rather, these charges could more reasonably be determined nearer to the date of bond issuance. As the anticipated issuance of the bonds draws closer, it is now appropriate to initiate proceedings to determine the amount of bond charges, and to consider how the bond charges should be allocated among service territories and/or customer classes.

The Rate Agreement Decision did not decide whether bond charges should be levied on customers to the extent they purchase power from an ESP (as that term is defined in the Rate Agreement), but directed that the Commission consider this issue in a future decision after providing an opportunity for parties to present all legal and policy considerations relevant to reaching that decision. Issues related to this matter will be addressed in the direct access cost responsibility surcharge (CRS) proceeding now pending before the Commission in Rulemaking (R.) 02-01-011. There will be coordination between the bond charge proceeding and the CRS proceeding as needed.

Based on the anticipated bond sale schedule, the collection of the bond charges must commence before January 1, 2003. In order to provide utilities with the necessary lead-time to address billing lags, I intend to place a decision before my colleagues at the October 17, 2002 Commission meeting. The following schedule will allow bond charges to be imposed on a timely basis:

June 14, 2002	DWR files and serves its showing regarding anticipated bond-related costs to be recovered in bond charges for calendar years 2003 and 2004
June 14	Data responses served
July 3	Parties serve proposed testimony on bond charges, allocation (including the reasonableness of using the existing method of allocating DWR's revenue requirement for allocating bond charges), rate design, and any other issues necessary to levy bond charges in an amount sufficient in total to provide for the timely repayment of bond-related costs
July 9	Parties file and serve case management statement
July 10	Prehearing Conference at 10 a.m.
July 15 - 19	Evidentiary Hearings, if needed, starting at 9:30 a.m.
July 31	Parties file and serve opening briefs
August 9	Parties file and serve reply briefs
September 17	Proposed decision filed and served
October 17, 2002	Final decision

Because its participation is necessary to this proceeding, DWR shall be made a party. DWR will be expected to provide one or more witnesses, as necessary, to sponsor and explain its showing. Accordingly, DWR must comply with the ex parte requirements applicable to all parties in this proceeding.

Specific information is necessary to facilitate timely issuance of a Commission decision. As a result, PG&E, SCE, SDG&E, DWR and ESPs should provide the information identified in Attachment A. The information should be submitted to Paul Clanon, Director of the Energy Division, by no later than June 14, 2002. The information should also be served at the same time on each party making a request to PG&E, SCE, SDG&E, DWR and/or ESPs for a copy of the data. Upon request and designation, information warranting confidential treatment may be submitted to the Commission and its staff (including Energy Division and the Office of Ratepayer Advocates) under the protection of Public Utilities Code Section 583. Others desiring access to confidential information should sign non-disclosure agreements.¹

A prehearing conference (PHC) shall be held at 10 a.m. on July 10, 2002 in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California. The PHC is scheduled for the limited purpose of taking appearances for the Bond Charge Phase of this proceeding, assigning exhibit numbers, and other procedural matters to promote efficient evidentiary hearings. If evidentiary hearings are not needed, the PHC will also be used to discuss the issues to be briefed, the briefing schedule and use of a common briefing outline. No later than noon on July 8, 2002, parties are to meet in person, by telephone and electronic mail, or other means to confer and discuss the following:

1. Issues to be addressed in the hearing, and specifically, whether any issues have been narrowed or amended since the service of the testimony, and identification of material disputed facts which

¹ Parties unable to agree to a non-disclosure agreement may bring the matter to the Commission's Law and Motion Judge, but must first meet and confer in a good faith effort to informally resolve the dispute. (See Resolution ALJ-164, September 16, 1992.)

- require hearing; if no hearings are required, identification of issues and schedules for briefs;
2. Proposed witness schedule;
 3. Cross-examination time estimates;
 4. Witness constraints, scheduling problems, travel concerns, other concerns, if any;
 5. Proposed Exhibit Lists. Each party is to exchange its proposed exhibit list with other parties proposing to participate in the hearing. Each proposed exhibit list shall contain the name of the offering party and/or sponsoring witness. The proposed exhibit list for the hearing should also include the nature of any objection to admission of an exhibit by any party or the statement of “no objection.” All exhibits shall be pre-marked for identification. DWR will use 1-99; PG&E, 100-199; SCE, 200-299; SDG&E, 300-399; Office of Ratepayer Advocates, 400-499; The Utility Reform Network, 500-599. Other parties preparing exhibits should call Administrative Law Judge (ALJ) Tim Sullivan prior to June 13 or make an appearance at the PHC on July 10, 2002 to request an assignment of numbers. Further requirements with respect to exhibits are set forth in Attachment B.

Following the meeting and conference, parties shall prepare a case management statement that summarizes the above information. SCE shall coordinate preparation and filing of the case management statement. This statement should be e-mailed to ALJ Sullivan at tjs@cpuc.ca.gov by the close of business on July 9, 2002. Parties shall sign, file, and serve the statement by July 10, 2002.

Protocols for filing and service already adopted in this proceeding shall continue to apply.² Paper copies of pleadings shall be filed with the Docket Office, served on each party and state service participant who does not have an

² See, for example, Rulings in A.00-11-038 et al., dated April 11, 2001; April 27, 2001; June 28, 2001; September 18, 2001; and December 21, 2001.

electronic mail address, and served on the Administrative Law Judge.³ Parties shall expeditiously provide paper copies to any party or person who requests a paper copy. Electronic copies shall be served on all participants who have an electronic mail address including parties, state service participants, and information only participants. The service list is the service list for A.00-11-038 et al., until a specific Bond Charge Phase service list is adopted at the July 10, 2002 PHC.

IT IS RULED that:

1. A new phase in this Rate Stabilization Proceeding is initiated to consider how to comply with Ordering Paragraph 9 of Decision 02-02-051. In particular, this phase will consider bond charges to recover bond-related costs incurred by the Department of Water Resources (DWR), allocation of bond charges among service territories and/or customer classes, rate design and any other issues necessary to levy bond charges in an amount sufficient in total to provide for the timely repayment of bond-related costs.
2. The schedule stated in the ruling is adopted.
3. DWR shall be a party, and shall comply with the ex parte requirements applicable to all parties in this proceeding.
4. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, DWR and energy service providers (ESPs) shall provide the information identified in Attachment A.

³ Pleadings that are filed (e.g., briefs, motions, comments on a proposed decision) must be filed with Docket Office. Proposed testimony is not filed, but is served.

5. This ruling shall be served on all parties of record in this Rate Stabilization proceeding (Application (A.) 00-11-038, et al.), and in Rulemaking 02-01-011, and on all ESPs.

6. The service list for A.00-11-038, et al., shall be used for the Bond Charge Phase of this proceeding until a Bond Charge Phase service list is created at the prehearing conference. Any person interested in participating in these proceedings, and not currently on the service list for A.00-11-038, et al., shall file and serve a motion requesting party status as soon as reasonably possible in order to be on the service list for service of proposed testimony (Rule 45(c) of the Commission's Rules of Practice and Procedure), or may file an appearance at a prehearing conference or hearing.

Dated June 6, 2002, at San Francisco, California.

/s/ LORETTA M. LYNCH

Loretta M. Lynch
Assigned Commissioner

ATTACHMENT A

DATA REQUEST

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), the Department of Water Resources (DWR), and Energy Service Providers (ESPs) shall serve the following information on Paul Clanon, Director of the Energy Division, no later than June 14, 2002. The information shall also be served at the same time on each party making a request to PG&E, SCE, SDG&E, DWR and/or ESPs for a copy of the data. The data shall be for the time period January 2001 through December 2004, with the response distinguishing between data that is recorded and forecast.

Responding Party		
IOUs [1]	DWR	ESPs

Item No.	Category of Information			
1	Bond-related costs (monthly)		✓	
2	IOU load (monthly)	✓	✓	
3	IOU metered sales (monthly)	✓	✓	
4	DWR load (monthly)	✓	✓	
5	DWR metered sales (monthly)	✓	✓	
6	Direct access load (monthly)	✓	✓	✓
7	Load that will have left the IOU system(s) for Distributed Generation or municipal utilities (monthly)	✓	✓	

[1] IOUs are PG&E, SCE and SDG&E

(END OF ATTACHMENT A)

ATTACHMENT B

PREPARATION AND IDENTIFICATION OF EXHIBITS

Parties shall follow these directions in preparing and identifying exhibits.

EXHIBITS

Service of Exhibits

All prepared written testimony shall be served on all appearances and state service on the service list, as well as on the Assigned Commissioner's office and on the Assigned Administrative Law Judge (ALJ). Do NOT file prepared written testimony with the Commission's Docket Office. (Such testimony becomes part of the record only after it is admitted into evidence.)

Identification of Exhibits in the Hearing Room

Each party sponsoring an exhibit shall, in the hearing room, provide **two copies to the ALJ and one to the court reporter**, and have at least 5 copies available for distribution to parties present in the hearing room. **The upper right hand corner of the exhibit cover sheet shall be blank for the ALJ's exhibit stamp.** Please note that this directive applies to cross-examination exhibits as well. If there is not sufficient room in the upper right hand corner for an exhibit stamp, please prepare a cover sheet for the cross-examination exhibit.

Cross-examination With Exhibits

As a general rule, if a party intends to introduce an exhibit in the course of cross-examination, the party should provide a copy of the exhibit to the witness and the witness' counsel before the witness takes the stand on the day the exhibit is to be introduced. Generally, a party is not required to give the witness an advance copy of the document if it is to be used for purposes of impeachment or to obtain the witness' spontaneous reaction. An exception might exist if parties have otherwise agreed to prior disclosure, such as in the case of confidential documents.

Corrections to Exhibits

Generally, corrections to an exhibit should be made in advance and not orally from the witness stand. Corrections should be made in a timely manner by providing new exhibit pages on which corrections appear. The original text to be deleted should be lined out with the substitute or added text shown above or inserted. Each correction page should be marked with the word “revised” and the revision date.

Exhibit corrections will receive the same number as the original exhibit plus a letter to identify the correction. Corrections of exhibits with multiple sponsors will also be identified by chapter number. For example, Exhibit 5-3-B is the second correction made to Chapter 3 of Exhibit 5.

(END OF ATTACHMENT B)

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Assigned Commissioner's Ruling Scheduling Bond Charge Phase of Proceeding on all parties of record in this proceeding (Application 00-11-038 et al.) and parties of record in Rulemaking 02-01-011 and all ESPs or their attorneys of record.

Dated June 6, 2002, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.